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ANCHORSOL SDN BHD

v.

NEHEMIAH REINFORCED SOIL SDN BHD

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HIGH COURT MALAYA, KUALA LUMPUR
RAMLY ALI J
[CIVIL APPEAL NO: D5 (IP)-24-61-2008]
28 AUGUST 2008

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INTELLECTUAL PROPERTY: *Registered design - Revocation of - Application for - Whether disputed design was an industrial design within s. 3 Industrial Designs Act 1996 - Whether disputed design has aesthetic appeal - Whether features or configurations of disputed design are purely functional - Aesthetic appeal not lost just because it is hidden from public's view - Features not dictated solely by function where there is freedom to design - Disputed design*

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was new and had aesthetic appeal - Disputed design was not solely dictated by function

INTELLECTUAL PROPERTY: *Registered design - Revocation of - Application for - Whether there was prior publication of registered design - Whether design new within meaning of s. 12 of the Industrial Designs Act 1996 - Court to compare registered design and infringing product side by side as a whole design - Fact that one design "highly resembles" another design is not a ground to declare it as non-registrable - Disputed design had material differences from appellant's product - Disputed design had not been disclosed to public prior to its application date*

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The appellant had applied to the Registrar to rectify the Register of the Industrial Design by expunging the Industrial Design Registration No: MY-03-00185 for 'Anchorage Lug' (Design 3 of 5) (disputed design) in the name of the respondent. The appellant's basis for making the application were: (i) that the disputed design was not an industrial design within s. 3 of the Industrial Designs Act 1996 (IDA 1996) as it had no aesthetic value and its design was dictated purely by function and thus could not be registered as an industrial design; (ii) that the disputed design was not new and therefore contrary to s. 12(1) of the IDA 1996 as the same had been disclosed to the public and therefore the respondent could not satisfy the statement of novelty requirement in s. 14(1)(c) of the same Act; and (iii) that the respondent was not the author and owner of the disputed design. The Registrar however found that: (a) the appellant's Omega Lug and disputed design on the whole differed although they carried out the same function; (b) the disputed design was not dictated purely by function; and (c) the disputed design

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had not been disclosed to the public prior to the application date of the disputed design and that the patent claims and Specification contained in a related agreement were only known by the parties to the agreement. The rectification application was thus dismissed by the Registrar and hence this appeal pursuant to s. 46 of the IDA 1996.

Held (dismissing the appellant's claim and appeal with costs):

(1) In determining whether the disputed design satisfied s. 3 of the Act, the court had to ask itself whether (i) the disputed design had aesthetic appeal (or appeal to the eye); and (ii) whether the features or configurations of the disputed design were purely functional. (para 23)

(2) The respondent had created the disputed design after much thought and effort. The fact that the product with the disputed design will ultimately be imbedded in walls or soil and cannot be seen was irrelevant in the issue of whether the design had aesthetic appeal. The aesthetic appeal should be considered in the attractiveness of the design to the purchaser of the product. A product does not lose its aesthetic appeal capabilities just because it is hidden from the view of the public. (paras 25, 26 & 28)

(3) The key element relevant to this case was whether the features of shape and configuration of the disputed design were dictated solely by the function which the disputed design, the anchorage lug had to perform. The term "dictated solely" mean that there is no other freedom to design the product. If there is freedom to design, then the features would not be dictated solely by function. There were degrees of freedom to design the disputed design. The anchorage had components that could be changed in shape and could be designed in various configurations. The disputed design was not "dictated by" its' function of reinforcing soil or walls. (paras 35, 36 37, 42 & 44)

(4) All disclosure to third parties were made on a confidential basis and the disclosure was to be kept secret. Such disclosure did not amount to disclosure to the public. (para 53)

(5) Section 12(1) of the IDA 1996 provides that, subject to the Act, an industrial design shall not be registered unless it is new. The court should compare both the respondent's registered design and the appellant's Lug side by side, as a whole design and ask itself "What is its' first visual impression made by both designs?" A

visual comparison of the appellant's Lug and the disputed design, revealed that the shape and configuration of the two lugs were materially different. Even the manner of manufacture of the parties' lugs was different. Applying the imperfect recollection test, a normal viewer, after being given a short period of viewing the disputed design and the appellant's Lug, would still be able to tell the designs apart when the designs are removed from his sight and presented again. The fact that one design "highly resembles" another design, is not a ground to declare that the one of the designs is non-registrable in the light of the other. (paras 55, 61, 65, 67 & 68)

(6) The appellant's Lug and the disputed design were of different shape and configuration. Despite the alleged disclosure of the appellant's Lug sometimes in 2001, the novelty of the disputed design was not destroyed as the appellant's Lug and the disputed design had different features of shape and configuration. (paras 69 & 70)

(7) The disputed design was a valid registration as it had satisfied all the requirements of the Industrial Designs Act 1996, in that it was new, it had aesthetic appeal, it was not solely dictated by function; it had material differences from the appellant's Lug; and it had not been disclosed to the public prior to its application date. (para 77)

Case(s) referred to:
AMP Incorporated v. Utilux Pty Ltd [1972] RPC 103 ***(refd)***
Arensi-Marley (M) Sdn Bhd v. Middy Industries Sdn Bhd [2004] 8 CLJ 20 ***(refd)***
Household Articles Ltd's Registered Design [1998] FSR 676 ***(refd)***
Teik Boay v. Chuah Siak Loo [1962] MLJ 80 ***(refd)***

Legislation referred to:
Industrial Designs Act 1996, ss. 3, 12(1), (2), 14(1)(c), 24(1)(a), (3), 32, 46(i)

Other source(s) referred to:
Council Regulations (European Community) No. 6/2002, art. 8(1)
The Modern Law of Copyright and Design, 2nd edn, 1995, Butterworths, pp 1131, 1132

For the appellant - Shireen Selvaratnam; M/s Sreenevasan
For the respondent - Sri Dev Nair; M/s Sri Dev & Naila

Reported by Amutha Suppayah

JUDGMENT

Ramly Ali J:

[1] This is an appeal by the appellant, Anchorsol Sdn. Bhd. pursuant to s. 46 of the Industrial Designs Act 1996 (IDA 1996) in respect of the decision of the Registrar of Industrial Designs (the registrar) dated 29 January 2008 who dismissed the appellant's rectification application pursuant to s. 24(3) of the IDA 1996 to expunge Industrial Design Registration No. MY-03-00185 (Design 3 of 5) for 'Anchorage Lug' in the name of the respondent.

[2] The appellant had earlier applied to the registrar to rectify the register of the Industrial Design by expunging the Industrial Design Registration No: MY-03-00185 for 'Anchorage Lug' (design 3 of 5) (disputed design) in the name of the respondent. The appellant's basis for making such an application are summarised as follows:

(a) the disputed design is not an industrial design within s. 3 of the IDA 1996 as it has no aesthetic value and its design is dictated purely by function and thus cannot be registered as an industrial design;

(b) the disputed design is not new and therefore contrary to s. 12(1) of the IDA 1996 as the same has been disclosed to the public, and therefore the respondent cannot satisfy the statement of novelty requirement in s. 14(1)(c) of the same Act; and

(c) the respondent or Lee Chee Hai is not the author and owner of the disputed design.

[3] The registrar however found that:

(a) the appellant's Omega Lug and disputed design on the whole differed although they carried out the same function;

(b) the disputed design is not dictated purely by function; and

(c) the disputed design had not been disclosed to the public prior to the application date of the disputed design and that the patent claims and specification contained in the agreement between Lai & Tham and the appellants were only known by the parties to the agreement.

[4] The rectification application by the appellant was dismissed by the registrar on 29 January 2008. Hence, this appeal to this court pursuant to s. 46 of the IDA 1996.

A **Factual Background**

[5] On 16 July 2001, one Lai Yip Poon and Tham Yoke Wah (Lai & Tham) jointly lodged an application for the grant of a patent pursuant to Patent Application No. PI 20013357 entitled "Anchoring means for retaining wall system" (patent application). Since the registrar's decision on 29 January 2008, the patent application has been granted. The patent was granted with effect from 30 May 2008 although the same was only received by Lai & Tham's Patent Agent on 8 July 2008.

[6] The invention identified in the patent application (now granted) is an "anchoring means for retaining wall systems" commonly known as the Omega Lug.

[7] Retaining walls are commonly built to prevent further degradation of the soil face. These walls are subjected to high pressure exerted by the soil behind the walls which may be caused by lateral movement of the soil, water temperature and shrinkage effects and seismic loads. When the load becomes too great, it may cause the collapse of the retaining wall.

[8] To prevent the same, reinforcement members are used where they typically absorb the stress from the earth and create friction during soil movement.

[9] The Omega Lug incorporates an anchoring means that is shaped almost like an Omega symbol and functions to attach a rod or tendon to the wall or soil system.

[10] The Omega Lug as used in the soil and wall consists of two large flanges at the base which are embedded into a wall and are designed so to provide a larger tributary area of reinforcement. The remaining par of the Omega Lug is a "U" shaped loop that is projected out of the wall and into the soil and this is connected to the rod or tendon which functions to absorb the stress from the soil.

[11] From the patent application (and the Patent now granted), Lai & Tham claimed to be the inventors/creators and owners of the Omega Lug. Lai & Tham claimed they were the first in time to author and invent the Omega Lug.

[12] On 31 July 2001, Lai & Tham granted to the appellant the exclusive right to use the Omega Lug in Malaysia by virtue of a business and license arrangement. This agreement is not exhibited for confidentiality reasons but there is no issue as to the appellant's right to use the Omega Lug pursuant to the business and license arrangement. Pursuant to the said agreement the patent application was disclosed to the appellant and its employees.

[13] The appellant claimed that it has since July 2001 until as late as May 2005 been selling and dealing with the Omega Lug as evidenced by:

(a) invoices evidencing sale of the Omega Lug;

(b) confirmation letters by the appellant's customers evidencing purchase and use of the Omega Lug in various construction projects in and around Malaysia by its customers since 2001.

[14] On 25 March 2003 (two years after the patent application which disclosed the Omega Lug and two years after the use and sale of the Omega Lug by the appellant), the respondent filed an application to register an industrial design described as the Anchorage Lug.

[15] On 24 April 2004, the Industrial Design Application was granted and registered pursuant to Registration No. MY03-00185. The respondent was thereby granted exclusive rights to the said design of the Anchorage Lug pursuant to s. 32 of the IDA 1996.

[16] Industrial Design Registration No. MY03-00185 relating to the Anchorage Lug in fact consists of five specific designs. It is material to note that the appellant only takes issue and disputes Design No. 3 of 5 (disputed design).

[17] The appellant claimed that a comparison of the Omega Lug and the disputed design clearly illustrates that the disputed design consists of virtually an identical design and/or a design differing only in immaterial details from the Omega Lug. The appellant further claimed that, in particular, both designs consists of two large flanges, a "U" loop and are intended to have a rod attached.

[18] The disputed design is also used in the construction sector as an anchoring means for retaining walls or reinforcement of earth systems (as is the Omega Lug).

The Application And The Appeal

[19] The initial application by the appellant was made before the Registrar of Industrial Design (the registrar) under ss. 24(1)(a) and 24(3) of IDA 1996 which states as follows:

> Section 24(1)(a)
>
> The Court may on the application in the prescribed manner of any person aggrieved by or interested in the non-inclusion in or omission from the Register without sufficient cause or any entry wrongfully remaining in the Register or any error or defect in any entry in the Register make such order for including, making, expunging or varying such entry or for the correcting of any error or defect as it deems fit.

A Section 24(3)

Any application for the rectification of the Register, which under subsection (1) is to be made to the Court and where the applicant is other than the Registrar himself, may, at the option of the applicant, be made in the first instance to the Registrar except where an action
B concerning the industrial design is pending.

[20] The appeal was filed by the appellant under s. 46(i) of IDA 1996 which reads as follows:

(1) Any person aggrieved by any decision or order of the Registrar
C may appeal to the Court.

Section 3 – "Industrial Design"

[21] Pursuant to s. 3 of the IDA, an 'industrial design' is defined to mean:

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features of shape, configuration, pattern or ornament applied to an article by any industrial process or means, being features which in the finished article appeal to and are judged by the eye, but does not include:

E 1. a method or principle of construction; or

2. features of share or configuration of an articles which:

(i) are dictated solely by the function which the articles has to perform; or

F (ii) are dependent upon the appearance of another article of which the article is intended by the author of the design to form an integral part.

[22] Based on the above section, to qualify as an industrial design, the
G following factors must be present:

(a) the design must not be dictated solely by function ie, the relevant features of the shape were brought about only by, or attributable only to, the function which the articles in that shape is to perform.

H (b) where the shape possesses no features beyond those necessary to enable the article to fulfil its function then it is purely functional. Primarily, the object of the Act is to protect shape not function, and not to protect functional shape.

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(c) the design must 'appeal to the eye and be judged by the eye' which means that:

(i) there must be in some way a special, peculiar, distinctive, significant or striking appearance - something which catches the eye and in this sense appeals to the eye; and

(ii) it must be intended to exclude cases where a customer might choose an article of that shape not because of its appearance but because he thought that the shape made it more useful to him.

(See: *AMP Incorporated v. Utilux Pty Ltd.* [1972] RPC 103).

[23] In other words, in determining whether the disputed design satisfies s. 3 of the Act, this court has to ask itself whether:

(a) the disputed design has aesthetic appeal (or appeal to the eye); and

(b) the features or configurations of the disputed design are purely functional.

[24] The appellant is contending that the disputed design is not an industrial design within the meaning of s. 3 of IDA 1996 because:

(a) it is dictated solely by function; and

(b) it does not have any eye appeal.

Appeal To The Eye (Aesthetic Appeal)

[25] The respondent had created the disputed design after much thought and effort. The respondent has designed its' lug in various different designs and in each design, the respondent gave it aesthetic qualities. Apart from the disputed design which is in dispute herein (design 3 of 5), the respondent had filed four other designs for its lug. The other designs, ie, design 1 of 5, 2 of 5, 4 of 5 and 5 of 5 of the respondent's Registered Industrial Design No. MY 03-00185 show that the respondent has spent time to design and create different types of aesthetic designs which carry the same function, ie, reinforce soil or walls.

[26] The fact that the product with the disputed design will ultimately be imbedded in walls or soil and cannot be seen is irrelevant in the issue of whether the design has aesthetic appeal. The aesthetic appeal should be considered in the attractiveness of the design to the purchaser of the product.

[27] Purchasers of the products are those in the construction industry and like other discerning consumers, they would be influenced by the shape and design of the products they purchase despite the fact that the product will be ultimately hidden from view of the public.

[28] The court is of the view that a product does not lose its aesthetic appeal capabilities just because it is hidden from the view of the public. Similar to the disputed design, there are many products which enjoy registered design rights although they are not visible to the public once used by the purchasers. Various designs of products such as screws, nuts, bolts, soles of shoes, interior designs in shoes, clothes etc which are registrable despite the fact that they only have an aesthetic appeal to the purchaser and not to the ultimate user of the product in which the products incorporating the design is used.

[29] The appellant claims that the disputed design is not created to be viewed by anyone as it's purpose is for it to be embedded in the wall or buried under the soil. As such its appearance is irrelevant and not a factor for any purchaser.

[30] In fact Lord Morris of Borth-y-Gest in *Amp Incorporated v. Utilux Pty. Ltd. (supra)* ruled as follows:

> The phrases "appeal to" and "judged solely by the eye" denote features which will or may influence choice or selection. The eye concerned will be the eye, not of the Court, but of the person who may be deciding whether or not to acquire the finished article possessing the feature in question. This does not mean that the "appeal" or the attraction must be to an aesthetic or artistic sense – though in some cases it may be. The features may be such that they gain the favour of or appeal to some while meeting with the disfavour of others. Beyond being merely visible the feature must have some individual characteristic. It must be calculated to attract the attention of the beholder.

[31] It is clear from the language of the above paragraph that Lord Morris of Borth-y-Gest meant that the "person who may be deciding whether or not to acquire the finished article" or the "attention of the beholder" is the purchaser of the design and not a disinterested person in the street. The fact that the product will ultimately be hidden from the public's view when the purchaser uses the product is not the determining factor when the court is assessing the "appeal to the eye".

[32] If the appellant's allegation had any truth in it, this would mean that design registrations granted to products such as inner lining to trousers, jackets and dresses; lining to travel bags, handbags and purses; soles of shoes and slippers and nuts, bolts and screws used in building materials and other articles in the construction industry have been

wrongly granted by various IP offices worldwide. There are examples of designs registered in the European Union by the Office for Harmonization in the Internal Market (OHIM) which are not visible to the public once the purchaser used the products have been found to be registrable designs, valid under the relevant regulation; the Council Regulation (European Community) No. 6/2002 on designs filed in the European Union.

[33] The aesthetic appeal of the product should be considered in the attractiveness of the design to the purchasers of the product. Purchasers of a product would be influenced by the shape and design of the products they purchase despite the fact that the product will be ultimately hidden from view of the public. Humans are naturally attracted to aesthetic and creative things in life and this factor influences every purchaser despite the fact that eventually the purchased item will be hidden or imbedded into some other product. The respondent is aware of this human nature and therefore had created a few designs for its lugs.

Dictated Solely By Function

[34] The appellant alleges that the respondent's Lug, Disputed Design No: 3 of MY 03-00185 is not capable of registration as it is dictated solely by function.

[35] The key element relevant to this case is whether the features of shape and configuration of the disputed design are dictated solely by the function which the disputed design, the anchorage lug has to perform.

[36] The term "dictated solely" mean that there is no other freedom to design the product. If there is freedom to design, then it is admitted that features would not be dictated solely by function.

[37] The court finds that there are degrees of freedom to design the disputed design. The respondent itself has designed several other designs and registered the designs with the registrar. These designs, namely design 1 of 5, 2 of 5, 4 of 5 and 5 of 5 of the respondent's Registered Industrial Design No. MY 03-00185 perform the same function as the disputed design and the appellant's Lug.

[38] In further support that the disputed design is not solely dictated by function, the lugs shown in the appellant's evidence, particularly Figure 3 on the U.S. Patent document on p. 78 of the record of appeal shows yet another design of a lug. The appellant's Lug and the disputed design consist of different features in shape and configuration. This again evidences that there exists freedom to design the shape and configuration.

[39] It is important to note that art. 8(1) of the Council Regulations (European Community) No. 6/2002 on designs filed in the European Union which provides that:

> A Community Design shall not subsist in features of appearance of a product which are solely dictated by its technical function.

is substantially identical to the requirement of s. 3 of our IDA 1996 that Malaysia adopts.

[40] In determining whether a design is solely dictated by the function, the Registrar of Industrial Design in the European Union's Intellectual Property Office or the widely known Organization of Harmonization of Markets ("OHIM") views that the designs is not solely dictated by function if:

(i) the function of the product can be achieved by alternative designs; or

(ii) the designer had choice among various forms.

[41] The test that OHIM has adopted in the few decisions which considered the above-mentioned art. 8(1) reflects that the mere fact that a technical effect can be achieved another way is sufficient not to invalidate a registered design, even if the other way of achieving the effect may be significantly more difficult, more expensive or financially, environmentally or otherwise disadvantageous. Examples of two decisions made by OHIM for invalidity applications are *Lindner Recyclingtech GmbH v. Lars Fransson*, ICD 3150, 3 April 2007 and T-Mobile Deutschland GmbH velasto form KG, ICD 4364, 11 March 2008.

[42] In the present case, the disputed design is an anchorage lug which has components that can be changed in shape and can be designed in various configurations. The features in the respondent's design, in particular the "U" shaped loop and the flanges can be redesigned in many ways. The freedom to design the "U" shaped loop and flanges are *prima facie* evidence that the features which are all functional (or have specific functions) are not dictated solely by function. In other words, they do not exist in that shape and configuration solely or exclusively because of the function it provides in that shape and configuration.

[43] This is evidenced by the various designs created by the respondent which carry out the same function as the respondent's design but are shaped differently. Four other designs for the respondent's lug, design 1 of 5, 2 of 5, 4 of 5 and 5 of 5 of the respondent's Registered

Industrial Design No. MY 03-00185 show that the lug can be designed in various representations despite having the same function, ie, reinforce soil or walls.

[44] The disputed design is not "dictated by" its' function of reinforcing soil or walls. The shapes of the flanges of the lug can be designed in many ways and the fact that the shape can be twisted to the left, right or left to be straight is evidence itself that the disputed design does not exist merely because of the function it has.

[45] The disputed design had already been examined by the respective Registrar during the design application process in 2003 and it was examined again during the rectification application in 2007/08. On both examinations, the same result and conclusion was derived at, that being the disputed design is not dictated solely by function and neither is it lacking of eye appeal.

[46] The appellant states that the appellant's design acts as an anchoring means for a retaining wall or soil and then goes further to state that each feature on the appellant's design has a specific function. This is not denied by the respondent. However, the features in the appellant's design, in particular the "U" shaped loop and the flanges can be redesigned in many ways. There is freedom to design the "U" shaped loop and flanges while maintaining the function of the lug.

Novelty Of Respondent's Design

[47] The appellant alleges that the disputed design is not new. The appellant arrives at this conclusion despite the fact that any disclosure of the appellant's design through documents or through users, was revealed on a confidential basis. The appellant argues that even if the disclosure was made on a confidential basis, this does not negate the fact that disclosure was made to the directors and employees who would constitute the public.

[48] The relevant parts of s. 12 of the IDA 1996 states:

> (i) Subject to this Act, an industrial design shall not be registered unless it is new.
>
> (ii) An industrial design for which an application for registration is made shall not be considered to be new if, before the priority date of that application, it or an industrial design differing from it only in immaterial details or in features commonly used in the relevant trade:
>
> (a) was disclosed to the public anywhere in Malaysia; or
>
> (b) ....

[49] The appellant claims that the Omega Lug (appellant's design) was disclosed to the public before the priority date of the disputed design (ie, 25 March 2003) by reasons of:

(a) the business and license agreement which disclosed the patent application to the appellant and its employees as at the end of July 2001; and

(b) the sale of Omega Lug (appellant's design) since July 2001.

[50] The question that has to be decided is, has the public been put in possession of the design? Can something be confidential and yet be considered to be a disclosure to the public? The respondent argues that any disclosure of the design on 'confidential' basis cannot amount to disclosure to the public.

[51] The Online Oxford Dictionary defines the word "confidential" as (i) intended to be kept a secret and (ii) entrusted with private information, whereas Dictionary.com, another online dictionary defines the word "confidential" as the following:

(i) spoken, written, acted on, etc., in strict privacy or secrecy; secret: a confidential remark;

(ii) indicating confidence or intimacy; imparting private matters: a confidential tone of voice;

(iii) having another's trust or confidence; entrusted with secrets or private affairs: a confidential secretary;

(iv) bearing the classification confidential, usually being above restricted and below secret;

(v) limited to persons authorized to use information, documents, etc., so classified.

[52] Based from the above definitions of the word "confidential", it is without any doubt that when a document is shown to another party on a confidential basis, it is for the other party's eyes and ears only and the contents of the document is supposed to be kept a secret.

[53] In fact, in the Malaysian case adduced by the appellant, *Teik Boay v. Chuah Siak Loo* [1962] MLJ 80, the court held:

> Broadly speaking, there is publication if the design has been disclosed to the public as opposed to being kept secret.

In this present case, all disclosure to third parties were made on a confidential basis and therefore the disclosure was to be kept secret. Such disclosure does not amount to disclosure to the public.

[54] It is with this reason that the learned registrar of Industrial Design, who has ample experience and knowledge in the Industrial Designs Act 1996, and who after having heard and read the oral and written submissions of both parties came to a conclusion at the end of the rectification application, that the disclosure of the appellant's design by the appellant (if any) was not a disclosure to the public in Malaysia.

Respondent's Registered Design Is New

[55] Section 12(1) of the IDA 1996 provides that, subject to the Act, an industrial design shall not be registered unless it is new. In this regards, to what consists as "new" is explained in s. 12(2) of the Act.

[56] The appellant alleges that the disputed design is not new as it has immaterial differences to the appellant's Lug. This court shall now consider whether the disputed design has material or immaterial differences to the appellant's Lug, in order to determine whether it is new or not at the date of its registration.

Material Or Immaterial Differences In The Designs

[57] In determining the material differences between two designs, this Court should consider the principles discussed by Justice Laddie in the *Household Articles Ltd's Registered Design* [1998] F.S.R. 676 where his Lordship dismissed an application to expunge the respondent's registered design on the following basis:

(a) A design could be valid over prior art even though individual features were very similar. To the eye, the impact of small differences could be considerable. Conversely differences might be substantial but the overall visual impact might be very similar.

(b) The Court had to assess novelty through the eye of the customers or relevant traders, having expert instruction on the features which were to be ignored or given less weight as a matter of law.

(c) It was only if all the differences between the prior art and the design were immaterial or common trade variants that the design was not novel under Section 1(4) of the 1949 Act.

(d) Immaterial details were features which made no significant visual impact on the design. The contradistinction between such details and common trade variants indicated that the latter could be visually significant.

(e) Effect had to be given to the words "commonly used". A design could be novel even if it was made up by blending together a number of old designs provided the resulting combination had a

A sufficiently distinctive appearance. It was only where all the features had been used before, and used commonly (or were immaterial) that they were novelty-destroying.

(f) Once the functional parts were ignored, the prior art was different from the registered design in all other respects. This was B both in detail and in overall effect. Although the differences were not of a high order they were not such as to render the design invalid.

(g) Commercial success was only an indirect indication that a design was novel.

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[58] In the said *Household Articles Ltd*'s case, Justice Laddie did a "side by side comparison" of the designs in dispute (being coffee pots) and compared each design as a whole without dissecting the individual parts of the design. In his judgment, Justice Laddie reproduced the pictures or photographs of the coffee pots and compared them. In para. 28 of D his judgment, Justice Laddie states the following:

> With these consideration in mind, I can turn to consider the design in issue. My first impression on comparing the registered design with the Bistro was that, although they had many features in common, in E virtually all those areas where the designer had freer hand to modify and add eye appeal to the shape and configuration of the coffee maker, they were noticeably different both in detail and overall effect.

[59] Justice Laddie's principles in determining the material differences between the disputed designs was applied and approved by the High F Court of Malaya in the case *Arensi-Marley (M) Sdn. Bhd. v. Middy Industries Sdn. Bhd.* [2004] 8 CLJ 20. In that case, Justice Vincent Ng, in determining the validity of the defendant's registered design (being rain gutters), held that there were material differences between the plaintiff's and defendant's designs. In his judgment, Justice Vincent referred to the *dicta* by Justice Laddie, as follows: G

> A design may be valid over prior art even though individual features are very similar. To the eye, the impact of small differences may be considerable. Conversely, differences may be substantial but the overall visual impact may be similar.

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[60] Justice Vincent in the *Arensi-Marley* case was also guided by the principle set out in the Practitioners' Textbook *"The Modern Law of Copyright and Design"* (p. 1131, 2nd edn, 1995, Butterworths) in that:

> In reality, of course, the Court assesses novelty itself. Except in most I borderline of cases it is unlikely that the judge will defer to the opinion of witnesses where he has already come to view on novelty. Therefore, it is the Court's first visual impression which counts.

[61] Taking the court's first visual impression test and Justice Laddie's principles mentioned above in the case before us now, court should compare both the respondent's registered design and the appellant's Lug side by side, as a whole design and ask itself "What is its' first visual impression made by both designs?". A

[62] Looking and comparing both the appellant's Lug and the disputed design "side by side", the first impression of the court is that the difference between the two designs are substantial and significant. Further, the overall effect and the impact of the design to the eye cannot be said to be "immaterial". They are infact material differences. B C

[63] The disputed sesign consists of the following features:

(i) two parallel-sided rectangular strips integrally connected by a central rectangular connector strip with an aperture at the mid point; and

(ii) two rectangular wing strips, each integrally part and continuous with the parallel-sided rectangular strip and substantially in right angle alignment to the latter. D

[64] The appellant's Lug consists of the following features:

(i) two sides each side consisting of two panels in an obtuse angular relationship with each other; and E

(ii) two based wing strips, each consisting three two curvilinear panels terminating in a flat panel, the said flat panel pointed outwardly and upwardly. F

[65] Thus, on a visual comparison of the appellant's Lug and the disputed design, reveals that the shape and configuration of the two lugs are materially different. Even the manner of manufacture of the parties' lugs is different. The Learned Registrar of Industrial Designs had also compared the designs and concluded that the shape and configuration of the parties' designs are materially different. G

[66] The principles stated in the above mentioned Practitioners' Textbook *The Modern Law of Copyright and Design* (p. 1131-1132, 2nd edition, 1995, Butterworths) which was referred to by Justice Vincent in the *Arensi-Marley* case, should be considered and used as a guidance in this case. Particular attention is directed to the highly learned and experienced authors, QC Hugh Laddie, QC Peter Prescott and Barrister Mary Vitoria's comments on comparison of designs: H

> … Therefore, normally it is the Court's first visual impression which counts. I

> Thus it has been said that designs must be considered as if viewed from the normal distance at which they will be used and that they should be considered both side by side and apart. It has also been said that it is appropriate to employ the "imperfect recollection" test from trade mark law, ie, are the differences between the designs so small that a normal viewer would be unable to tell them apart after a short period without them in front of him. If they are, then the two designs are visually substantially the same. Consistent with this it has sometimes been said that evidence that members of the public confuse two designs is evidence that the designs are substantially the same. However, confusion by casual members of the public who really care little about either design counts for little.

[67] Applying the imperfect recollection test in this case, the court is satisfied that a normal viewer, after being given a short period of viewing the disputed design and the appellant's Lug, will still be able to tell the designs apart when the designs are removed from his sight and presented again.

[68] The court also rules that the fact that one design "highly resembles" another design as submitted by the appellant, is not a ground to declare that the one of the designs is non-registrable in the light of the other.

[69] The court is satisfied that the appellant's Lug and the disputed design are of different shape and configuration. So the argument that the features of shape and configuration of the disputed design were allegedly disclosed to the public by the respondent prior to the date of filing of the disputed design is incorrect.

[70] Despite the alleged disclosure of the appellant's Lug sometime in 2001, the novelty of the disputed design is not destroyed, as the appellant's Lug and the disputed design have different features of shape and configuration.

No Conflict Of Registered Rights

[71] On this issue the appellant further argues that the effect of maintaining the registration of the respondent's registered design would mean that the respondent has the exclusive rights to the said respondent's registered design pursuant to the IDA 1996; while on the other hand the said Lai & Tham have been granted a patent in respect of it's Omega Lug and have the exclusive rights to the same pursuant to the Patent Act 1987. This, according to the appellant, will result in a position of conflict where two different parties have the exclusive rights to use virtually an identical article pursuant to two separate statutory provisions.

[72] The court finds that the appellant's contention on this case is misconceived in law for the following reasons:

(i) The appellant's Patent (Grant No. MY 135560-A) contains 15 claims. On the assumption that the appellant's patent is valid, none of the claims, claim the features of the disputed design. Although the appellant's Lug is illustrated in the patent drawings, there is no detailed description of the features of the shape and configuration of the appellant's Lug in the patent description. Even if there is description of the appellant's Lug, the contents of the description was confidential and not known to the public until the date of grant of the appellant's Patent on 30 May 2008. Therefore, the respondent's Lug is novel *vis-a-vis* the contents of the appellant's patent including the drawings of the Lug contained therein.

(ii) Notwithstanding the above, intellectual property rights including patent and industrial design registrations are negative rights, in that a grant of right does not give the exclusive right to manufacture the article, but it only gives the right to stop others from infringing the right. This is trite law in intellectual property law.

(iii) If the Design No. 3 of Design Registration No. MY 03-00185 (the disputed design) infringes the claims of any other granted patent in Malaysia, the remedy is for the patentee to sue for patent infringement and not declare the design registration invalid. Conversely if a patent is granted where the claimed product infringes a registered industrial design right, then the remedy to the owner of the industrial design is to sue the patentee for infringement of the industrial design and not to seek to declare the patent invalid solely on the grounds of the existence of the registered industrial design.

(iv) Ownership of any intellectual property right is not a defence to infringement of another type of intellectual property right. This is because industrial design rights and patent rights are negative rights which prevents a third party from infringing those rights respectively and not a positive right to practice the design or patent.

Conclusion

[73] In a developed or "crowded" field of technology, the requirements of novel shape and configuration to qualify for an industrial design right are satisfied when the articles have minor differences and where there is freedom to design. The registrars in Malaysia are aware of this "crowded" field issue and therefore allow articles with minor but material differences to co-exist in Malaysia.

[74] There are industrial designs granted in Malaysia, for various articles including watches, pens, rain-gutters and paper-dispensers which only have minor differences between themselves and the prior design. The registrar has approved the designs after examining the designs against prior designs and have found the designs to have material differences over the prior designs.

[75] In the present case, this court should consider the above and allow the same rights be accorded to the disputed design. As mentioned earlier, the disputed design had already been examined by the respective registrar during the design application process in 2003 and it was examined again during the rectification application in 2007/08. On both examinations, the same result and conclusion was derived at, that being the disputed design is valid and satisfies the Industrial Designs Act 1996.

[76] After having considered all relevant considerations in this case, the court observes that the learned registrar has not made any erroneous decision and instead has come to the right conclusion after having analyzed the facts and law in this dispute.

[77] The disputed design is a valid registration as it has satisfied all the requirements of the Industrial Designs Act 1996, in that:

(i) it is new;

(ii) it has aesthetic appeal;

(iii) it is not solely dictated by function;

(iv) it has material differences from the appellant's Lug; and

(v) it has not been disclosed to the public prior to its application date.

[78] In the premise, the appellant's claim and appeal is dismissed with costs.